

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.¹

PROMESA Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17 BK 4780-LTS

(This court filing relates only to
Case No. 17 BK 4780-LTS)

**DECLARATION OF ROBERT BEREZIN IN SUPPORT OF
THE MOTION OF NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION, ASSURED GUARANTY CORP., ASSURED GUARANTY
MUNICIPAL CORP., AND SYNCORA GUARANTEE INC. FOR
RELIEF FROM THE AUTOMATIC STAY TO ALLOW MOVANTS TO
ENFORCE THEIR STATUTORY RIGHT TO HAVE A RECEIVER APPOINTED**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

I, Robert Berezin, pursuant to 28 U.S.C. § 1746, declare and state as follows:

1. I am a member of the bar of the State of New York, I am admitted to practice before this Court *pro hac vice*, and I am a partner with the firm of Weil, Gotshal & Manges LLP, attorneys for National Public Finance Guarantee Corporation (“National”).

2. I submit this declaration in support of the Movant’s Motion for Relief from the Automatic Stay to Allow Movants to Enforce Their Statutory Right to Have a Receiver Appointed.

3. Attached hereto as Exhibit 5 is a true and correct copy of the Kobre & Kim LLP, Final Investigative Report: The Financial Oversight & Management Board for Puerto Rico (Aug. 20, 2018).

4. Attached hereto as Exhibit 6 is a true and correct copy of *Exploring Energy Challenges and Opportunities Facing Puerto Rico: Hearing Before H. Subcomm. on Energy and Mineral Res., Comm. on Nat. Res.* (Jan. 12, 2016) (statement of Lisa J. Donahue, Chief Restructuring Officer, PREPA).

5. Attached hereto as Exhibit 7 is a true and correct copy of *Exploring Energy Challenges and Opportunities Facing Puerto Rico: Hearing Before H. Subcomm. on Energy and Mineral Res., Comm. on Nat. Res.* (Hearing Memorandum from Staff) (Jan. 11, 2016).

6. Attached hereto as Exhibit 8 is a true and correct copy of the FTI Capital Advisors, LLC, Accounts Receivable and CILT Report (Nov. 15, 2014).

7. Attached hereto as Exhibit 9 is a true and correct copy of PREPA’s Monthly Report to the Governing Board (June 2018).

8. Attached hereto as Exhibit 10 is a true and correct copy of the Forbearance Agreement, between PREPA, the Ad Hoc Group, and the insurers of bonds (Aug. 14, 2014).

9. Attached hereto as Exhibit 11 is a true and correct copy of the Amended and

Restated Restructuring Support Agreement, Between PREPA and Supporting Creditors, December 23, 2015.

10. Attached hereto as Exhibit 12 is a true and correct copy of PREC's *Final Resolution and Order*, Case No. CEPR-AP-2015-0001 (Jan. 10, 2017) (Dkt. No. 373).

11. Attached hereto as Exhibit 13 is a true and correct copy of *Rosselló Nevares Says Energy Reform Will Bring Down Costs, Defends PREPA Board Shakeup*, REORG RESEARCH (Feb. 14, 2017).

12. Attached hereto as Exhibit 14 is a true and correct copy of *The Departure of AlixPartners is Near*, EL NUEVO DÍA (Feb. 2, 2017).

13. Attached hereto as Exhibit 15 is a true and correct copy of *Rosselló Pledges to Protect 'Most Vulnerable' in Pension Reform*, REORG RESEARCH (Feb. 15, 2017).

14. Attached hereto as Exhibit 16 is a true and correct copy of AlixPartners' Hand-Over Strategy Presentation to the Governing Board Puerto Rico Electric Power Authority (Feb. 1, 2017).

15. Attached hereto as Exhibit 17 is a true and correct copy of the Letter from FOMB to Mohammad Yassim, Chief Legal & Regulatory Officer, AAFAF (June 28, 2017).

16. Attached hereto as Exhibit 18 is a true and correct copy of *Mgmt. Crisis at the Puerto Rico Electric Power Auth. and Implications for Recovery: Hearing Before H. Comm. on Nat. Res., Comm. on Nat. Res.*, 115 Cong. (July 25, 2018) (Memorandum from Andrew Vecera, Majority Committee Staff at 8) (July 23, 2018).

17. Attached hereto as Exhibit 19 is a true and correct copy of the Letter from PREPA Creditors to PREPA re. Joint Request for Additional Information (February 23, 2018).

18. Attached hereto as Exhibit 20 is a true and correct copy of the PREPA Fiscal Plan

(Apr. 28, 2017).

19. Attached hereto as Exhibit 21 is a true and correct copy of the Verified Adversary Compl. of the Puerto Rico Energy Commission for Declaratory J. and Request for Injunctive Relief, PREC v. The Financial Oversight & Mgmt. Bd. For Puerto Rico (In re: The Financial Oversight & Mgmt. Bd. for Puerto Rico), Case No. 18-00021-LTS (D.P.R. Mar. 4, 2018) (Dkt. No. 1).

20. Attached hereto as Exhibit 22 is a true and correct copy of the PREC *Mot. for Preliminary Injunction*, PREC v. The Financial Oversight & Mgmt. Bd. For Puerto Rico (In re: The Financial Oversight & Mgmt. Bd. for Puerto Rico), Case No. 18-00021-LTS (D.P.R. Mar. 4, 2018) (Dkt. No. 3).

21. Attached hereto as Exhibit 23 is a true and correct copy of the Resolution and Order Establishing Calendar for Submission of Information, Case No. CEPR-AP-2018-0002 (June 22, 2018) (Dkt. No. 7).

22. Attached hereto as Exhibit 24 is a true and correct copy of *PREPA's Compliance Filing for Items Due July 13, 2018*, Case No. CEPR-AP-2018-0002, Dkt. No. 8 (July 20, 2018).

23. Attached hereto as Exhibit 25 is a true and correct copy of *PREPA's Second Motion to Extend Due Date of Response to June 22 Order, Item A*, Case No. CEPR-AP-2018-0002, Dkt. No. 12 (Aug. 31, 2018).

24. Attached hereto as Exhibit 26 is a true and correct copy of the Feb. 15, 2018 DIP Hr'g Tr.

25. Attached hereto as Exhibit 27 is a true and correct copy of *UTIER Chief Calls PREPA Emergency Plan a 'Publicity Campaign' as Labor Leaders Underline Opposition to Privatization Plans*, REORG RESEARCH (Feb. 28, 2017).

26. Attached hereto as Exhibit 28 is a true and correct copy of the Puerto Rico Electric Power Authority: 13-Week Cash Flow Update at 5 (Mar. 14, 2018).

27. Attached hereto as Exhibit 29 is a true and correct copy of *PREPA To Continue the Strategic Emergency Operations Plan*, Autoridad de Energía Eléctrica (Feb. 23, 2018).

28. Attached hereto as Exhibit 30 is a true and correct copy of the July 25, 2018 Omnibus Hr'g Tr. 12:12-15.

29. Attached hereto as Exhibit 31 is a true and correct copy of the Letter from U.S. Congressman Rob Bishop, Chairman, H. Comm. on Natural Resources, et al. to Justo González, Interim Exec. Dir., PREPA (Mar. 12, 2018).

30. Attached hereto as Exhibit 32 is a true and correct copy of *Puerto Rico Releases Data on Hundreds of Deaths Following Hurricane Maria*, NPR (June 13, 2018).

31. Attached hereto as Exhibit 33 is a true and correct copy of *Puerto Rico Energy Authority Investigates Dozens of Post-Maria Bribery Cases*, PBS News Hour (Jan. 14, 2018).

32. Attached hereto as Exhibit 34 is a true and correct copy of the Letter from Minority Leader Rafael Hernández Montañez, Government of Puerto Rico, to John Kelly, Acting Inspector General, FEMA, et al. (Jan. 14, 2018).

33. Attached hereto as Exhibit 35 is a true and correct copy of *Puerto Rico Power Restoration: Why it Is Taking So Long*, USA Today (Oct. 30, 2017).

34. Attached hereto as Exhibit 36 is a true and correct copy of the Letter from U.S. Congressman Rob Bishop, Chairman, H. Comm. on Natural Resources, et al. to Ricardo Ramos, Exec. Dir., PREPA (Oct. 26, 2017).

35. Attached hereto as Exhibit 37 is a true and correct copy of PREC's *Order Identifying and Implementing Temporary Oversight Measures*, Case No. CEPR-MI-2017-0008,

Dkt. No. 1 (Nov. 17, 2017).

36. Attached hereto as Exhibit 38 is a true and correct copy of *Oversight Hearing on the Need for Transparent Financial Accountability in Territories' Disaster Recovery Efforts: Hearing Before H. Comm. on Natural Resources, Comm. on Nat. Res.*, 115th Cong. 1 (2017) (statement of Chairman Rob Bishop at 2).

37. Attached hereto as Exhibit 39 is a true and correct copy of *The Lineman Got \$63 an Hour. The Utility Was Billed \$319 an Hour*, N.Y. Times (Nov. 12, 2017).

38. Attached hereto as Exhibit 40 is a true and correct copy of the Tr. of Hearing, Oct. 25, 2017.

39. Attached hereto as Exhibit 41 is a true and correct copy of *Puerto Rico, Whitefish Defend Controversial Power Contract*, Reuters (Oct. 24, 2017).

40. Attached hereto as Exhibit 42 is a true and correct copy of *Puerto Rico Governor Asks DOJ To Investigate Island's Public Power Utility*, NPR (Jan. 11, 2018).

41. Attached hereto as Exhibit 43 is a true and correct copy of *Management Crisis at the Puerto Rico Electric Power Authority and Implications for Recovery: Hearing Before H. Comm. on Natural Resources, Comm. on Nat. Res.*, 115 Cong. (July 25, 2018) (testimony of David Svanda, Principal, Svanda Consulting).

42. Attached hereto as Exhibit 44 is a true and correct copy of the Recent Circuit Breaker Fire Overview (Apr. 18, 2018).

43. Attached hereto as Exhibit 45 is a true and correct copy of *An excavator impacted line 50700 and caused the blackout*, El NUEVO DÍA (Apr. 18, 2018), available (in Spanish).

44. Attached hereto as Exhibit 46 is a true and correct copy of *Puerto Rico Power Utility CEO Resigns After Less Than Four Months on Job*, Wall St. J. (July 11, 2018).

45. Attached hereto as Exhibit 47 is a true and correct copy of *Puerto Rico Power Utility board Quits, Leaving Leadership Void*, Reuters (July 12, 2018).

46. Attached hereto as Exhibit 48 is a true and correct copy of the Letter from Ernesto Sgroi, Chair, PREPA Governing Board, et al. to Hon. Ricardo Rosselló Nevares, Governor of Puerto Rico (July 12, 2018).

47. Attached hereto as Exhibit 49 is a true and correct copy of the Letter from U.S. Congressman Rob Bishop, Chairman, H. Comm. on Natural Resources to Governor Ricardo Rosselló (July 19, 2018).

48. Attached hereto as Exhibit 50 is a true and correct copy of *Puerto Rico Governor Names New PREPA CEO, Board Members*, Utility Dive (July 19, 2018).

49. Attached hereto as Exhibit 51 is a true and correct copy of the *Resolutions Adopted at the Seventh Public Meeting of the Financial Oversight and Management Board for Puerto Rico Held on April 28, 2017 in New York, New York (Resolution #2)* (Apr. 28, 2017).

50. Attached hereto as Exhibit 52 is a true and correct copy of the PREPA Fiscal Plan (August 1, 2018).

51. Attached hereto as Exhibit 53 is a true and correct copy of *Management Crisis at the Puerto Rico Electric Power Authority and Implications for Recovery: Hearing Before H. Comm. on Natural Resources, Comm. on Nat. Res.*, 115 Cong. (July 25, 2018) (written statement of Governor Rosselló at 2).

52. Attached hereto as Exhibit 54 is a true and correct copy of the Jan. 22, 2018 Message of Governor Rosselló.

53. Attached hereto as Exhibit 55 is a true and correct copy of the Press Release, La Fortaleza, Oficina del Gobernador, Governor Rosselló announces appointment of new executive

director for the Puerto Rico Electric Power Authority (July 19, 2018).

54. Attached hereto as Exhibit 56 is a true and correct copy of the Letter from Citigroup Global Markets Inc. and Rothschild & Co. re: The Potential Transformation of the Puerto Rico Electric Sector at 4 (June 4, 2018).

55. Attached hereto as Exhibit 57 is a true and correct copy of *Jenniffer González Drafts Bill to Depoliticize PREPA*, El Nuevo Día (July 27, 2018).

56. Attached hereto as Exhibit 58 is a true and correct copy of *José Ortiz: "We have to move fast,"* El Nuevo Día (Aug. 1, 2018).

57. Attached hereto as Exhibit 59 is a true and copy of the Proof of Claim No. 18449 (Case No. 17-4780-LTS).

58. Attached hereto as Exhibit 60 is a true and copy of the Proof of Claim No. 29020 (Case No. 17-4780-LTS).

59. Attached hereto as Exhibit 61 is a true and copy of the Proof of Claim No. 32829 (Case No. 17-4780-LTS).

60. Attached hereto as Exhibit 62 is a true and copy of the Proof of Claim No. 31087 (Case No. 17-4780-LTS).

61. Attached hereto as Exhibit 63 is a true and copy of the Proof of Claim No. 22078 (Case No. 17-4780-LTS).

62. Attached hereto as Exhibit 64 is a true and copy of the Proof of Claim No. 23396 (Case No. 17-4780-LTS).

63. Attached hereto as Exhibit 65 is a true and copy of the Proof of Claim No. 49143 (Case No. 17-4780-LTS).

I declare under penalty of perjury that the foregoing facts are true and correct.

Date: October 3, 2018
New York, New York

/s/ Robert Berezin
Robert Berezin